

ALWAYS READY



UNITED STATES COAST GUARD
2013 PERFORMANCE HIGHLIGHTS
&
2015 BUDGET IN BRIEF

The U. S. Coast Guard Cutter BERTHOLF took to the sea operating in concert with the service's maritime patrol aircraft, the Ocean Sentry HC-144, and a H-65 helicopter.





THE COMMANDANT OF THE UNITED STATES COAST GUARD

WASHINGTON, D.C.

I am pleased to present to you the Coast Guard's 2013 Performance Highlights and Fiscal Year (FY) 2015 Budget in Brief. This new format represents the evolution of the Posture Statement to a more concise document with increased online access. The document highlights our operational performance during a period in which funding was reduced to meet the discretionary spending limits enacted by Congress and enforced by a sequestration of non-exempt funds, and provides information on the President's annual budget request for the Coast Guard.

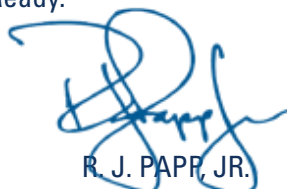
Despite the 2013 fiscally constrained environment, the men and women of the Coast Guard exhibited the honor, respect, and devotion to duty that has kept us America's premier maritime responder for the last 223 years. Every day they exercised critical prevention activities to help keep our mariners and ports safe and secure. They braved uncertain waters and responded to the movement of illicit goods and people, man-made and natural disasters, and other high priority national safety, security and stewardship needs. They provided the maritime governance that our Nation demands to ensure safe, secure, and environmentally sound approaches to America's shores.




In 2013, the Coast Guard advanced down the trackline towards a recapitalized cutter fleet when we awarded the contract for the next six Fast Response Cutters – when we commission these cutters, we will have twenty-four of these outstanding platforms in service. We also christened the fourth National Security Cutter – Coast Guard Cutter HAMILTON. These new cutters are replacing our forty-five year old high endurance cutters and provide vital response capability in the offshore environment. HAMILTON's fellow National Security Cutters, BERTHOLF, WAESCHE, and STRATTON are already proving to be superlative examples of "useful sentinels of the law" – the words Alexander Hamilton used in 1787 when he described an enduring need for ships to protect our Nation's maritime borders and interests on the sea.

In FY 2015, our voyage to a modernized offshore Coast Guard fleet will continue with the President's Budget request for the production of the eighth National Security Cutter and continued work on the Offshore Patrol Cutter project. As prudent stewards of our resources, we will hold our course rebuilding Coast Guard assets in an affordable and responsible manner. On the horizon, we look to the recapitalized fleet for future operations and to provide our men and women the tools they need to continue the great work they do for our Nation. We will preserve our critical front-line operations in direct support of our Department of Homeland Security mission programs; prevent terrorism and enhance security, secure and manage our borders, and strengthen national resilience. We will make difficult decisions to scale activities, but will be there to answer the call for any maritime domain emergency, to protect America's safety, and to add to our national security.

Since our inception as the Revenue Cutter Service in 1790, the Coast Guard has stood the watch over America's interests on the seas. We have protected those on the sea, the Nation from threats delivered by the sea, and the sea itself from environmental hazards. In the face of today's challenging fiscal environment, the Coast Guard has been and will continue to be "Semper Paratus" – Always Ready.



R. J. PAPP, JR.
Admiral, U.S. Coast Guard



The Coast Guard Cutter SPAR
transiting Glacier Bay National
Park, in Southeast Alaska.

As the Coast Guard performed its overall mission of ensuring the Safety, Security, and Stewardship of our Nation's waters in 2013, all of its prevention and response activities directly supported the Department of Homeland Security's mission priorities of:

- 1) Prevent Terrorism & Enhance Security;**
- 2) Secure & Manage Our Borders;**
- 3) Strengthen National Resilience.**



1,566

OPERATIONAL
CUTTERS, BOATS
AND AIRCRAFT

With
unparalleled
proficiency;

With
unwavering
support;

\$10.45

BILLION
DOLLARS
ENACTED IN 2013



Coast Guard men and women go into uncertain and stormy seas every day to carry out the missions that are essential to ensuring safe, secure, and environmentally sound approaches to our maritime Nation.

With
unfailing
dedication;

970,000

OPERATIONAL
HOURS
EXECUTED



57,600

ACTIVE DUTY,
RESERVE
& CIVILIAN
WORK FORCE

*“Semper Paratus”
– Always Ready!*

A Coast Guard Maritime Safety and Security Team patrols the waters surrounding New York, N.Y. The Coast Guard maintains round the clock security operations for major maritime events.



DHS MISSION PRIORITY

USCG
STATUTORY
MISSIONS

PREVENT TERRORISM & ENHANCE SECURITY

PORTS, WATERWAYS & COASTAL SECURITY

DEFENSE READINESS



In order to ensure the safety and security of the American people, the Coast Guard conducted over 21,000 waterborne patrols of critical maritime infrastructure and resources, escorted over 2,000 high-capacity passenger vessels, and conducted over 8,400 security boardings in and around U.S. ports in 2013. The Coast Guard plays a key role in the surge response to a known security threat or event. As part of the overall Department of Homeland Security (DHS) response to the Boston Marathon bombing, the Coast Guard Captain of the Port (COTP) raised the Maritime Security (MARSEC) level, which resulted in the immediate implementation of additional safety measures and activities to ensure the safety and security of the citizens and infrastructure of Boston.

During 2013, to enhance security and help prevent waterborne delivery of a terrorist threat, the Coast Guard conducted inspections on over 11,000 vessels, over 23,700 shipping containers, and completed more than 10,000 waterside facility safety and security reviews.

Additionally, as both a federal law enforcement agency and an armed service, the Coast Guard is uniquely positioned to conduct defense operations in support of Combatant Commanders. The Coast Guard supports our Department of Defense (DoD) partners by performing rotary-wing air intercept operations and providing assets to work with U.S. Naval forces. In direct support of DoD's theater security cooperation efforts, the Coast Guard conducts port operations, maritime interception operations and the training of international partners.

Every day Coast Guard men and women provide maritime governance that ensures the safe, secure, and environmentally sound approaches to our maritime Nation.

*WE PROTECT... THOSE ON THE SEA, THE NATION FROM THREATS
DELIVERED BY THE SEA, & THE SEA ITSELF.*

OUR BUDGET AT WORK

The Coast Guard's terrorism prevention and security enhancement activities encompass the detection, deterrence, prevention, disruption, and recovery from terrorist attacks and other criminal acts in the maritime domain. The Coast Guard executes antiterrorism, response, salvage operations, and supports various DoD Combatant Commanders in the maritime environment.

32,525

**Maritime Security Response
Activities conducted in 2013**

One of the Coast Guard's newest Fast Response Cutters (FRC), the CGC PAUL CLARK underway during one of its first law enforcement patrols.



DHS MISSION PRIORITY

SECURE & MANAGE OUR BORDERS

USCG
STATUTORY
MISSIONS

DRUG INTERDICTION

LIVING MARINE RESOURCES

OTHER LAW ENFORCEMENT



The Coast Guard is the lead Federal maritime law enforcement agency that directly supports the security and management of our Nation's borders on the Great Lakes, inland waterways, ports, littorals and on the high seas. The Coast Guard's success in the interdiction of illegal drugs serves as an example of that maritime governance. In 2013, the Coast Guard removed more than 125 metric tons of illegal drugs from the maritime domain and detained over 190 suspected smugglers for prosecution in the United States.

In the interest of protecting America's natural resources, endangered marine species, and marine sanctuaries, the Coast Guard conducted over 5,000 fisheries boardings on U.S. vessels. Close collaboration with partner agencies is a key part of this effort. For example, Coast Guard supports enforcement of Illegal, Unregulated, and Underreported (IUU) fishing. IUU fishing is global in reach and Coast Guard efforts are critical to stem this illegal activity that is harmful to ecosystems for natural resources and a threat to global food security. The Coast Guard detected 184 incursions of foreign flagged fishing vessels into America's exclusive economic zone (EEZ) as part of these efforts in 2013.

The Coast Guard continues to employ a layered security system that begins well beyond the Nation's physical borders to counter all maritime risks. A key aspect of the system includes strong international partnerships for enforcement of drug interdiction and living marine resources. In the Pacific, we work as part of the North Pacific Coast Guard Forum with maritime governance forces from Canada, Russia, Japan, South Korea and China and in the Caribbean and in Central and South America, we have bi-lateral and multi-lateral agreements with twenty-nine maritime nations to accomplish our shared missions.

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OUR BUDGET AT WORK

As the lead federal agency for drug interdiction on the high seas, the Coast Guard's operations support national and international strategies to deter and disrupt the market for illegal drugs, and assist federal efforts to dismantle Transnational Organized Crime (TOC)/ Drug Trafficking Organizations (DTOs), and prevent transnational threats from reaching U.S. shores.

\$3 billion

**Wholesale value of illegal drugs
removed by the Coast Guard
in 2013.**



Crew members of the Coast Guard Cutter KEY BISCAYNE arrive on scene to prevent 21 Cuban migrants from illegally entering the United States. A maritime patrol aircraft, the Ocean Sentry HC-144, provides overflight support.





SECURE & MANAGE OUR BORDERS (cont.)

USCG STATUTORY MISSIONS

MIGRANT INTERDICTION

AIDS TO NAVIGATION

DOMESTIC ICEBREAKING

The Coast Guard's 2013 Alien Migrant Interdiction Operations (AMIO) provided effective law enforcement presence at-sea and achieved three main objectives: (1) deterred undocumented migrants and transnational smugglers from using maritime routes to enter the U.S., (2) detected and interdicted undocumented migrants and smugglers far from the U.S. border, and (3) expanded Coast Guard participation in multi-agency and international border security initiatives. Strong partnerships and information sharing with other U.S. Federal agencies and foreign countries were critical to mission success.

During 2013, the Coast Guard repatriated 471 Haitian and 1,250 Cuban illegal migrants. One of our newest cutters – the Coast Guard Cutter (CGC) RICHARD ETHERIDGE- was responsible for one of these operations in May 2013, when the crew responded to and successfully halted the illegal migration of 20 migrants into the United States through the Florida Straits.

Approximately \$1.8 trillion worth of goods transited over 25,000 miles of our Nation's waterways in 2013, and the maintenance of more the 49,000 navigation aids at a 97.9% availability; meaning the aids were functioning properly and ensured the maritime transportation system operated smoothly. In the winter months, the Coast Guard in concert with the Canadian Coast Guard, facilitated the successful movement of more than 30 million tons of bulk cargo and 7.9 million barrels of heating oil in the ice laden Great Lakes region.

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OUR BUDGET AT WORK

The Coast Guard is the lead federal maritime law enforcement agency and the only agency with both the authority and capability to enforce national and international law on the high seas, outer continental shelf, and inland from the U.S. Exclusive Economic Zone (EEZ) to inland waters. The Coast Guard leads the migrant interdiction mission on the high seas.

4.5 million

**Miles of U.S. Maritime Border
Patrolled by the Coast Guard
for immigration enforcement**

Oil spill responders work to
deploy a boom as part of an
oil spill response exercise
in Batiquitos Lagoon in
Carlsbad, California.



DHS MISSION PRIORITY

USCG
STATUTORY
MISSIONS

STRENGTHEN NATIONAL RESILIENCE

SEARCH AND RESCUE

MARINE ENVIRONMENTAL PROTECTION

MARINE SAFETY



The Coast Guard not only contributes to the deterrence of terrorism and mitigation of man-made disasters, but also to timely response in the event of natural disasters. As the federal expert in search and rescue and marine pollution response, the Coast Guard has proven time and again to be an effective leader for responses to significant incidents that occur in the maritime domain.

As the principal Federal Maritime Security Coordinator and Federal On-Scene Coordinator in the coastal zone, the Coast Guard coordinates the response to oil and other hazardous materials spills in navigable waterways up to and including Spills of National Significance. In 2013, the Coast Guard coordinated the response of federal, state and local agencies to a derailed freight car that released approximately 23,000 gallons of vinyl chloride in Mantua Creek, NJ. Efforts of the Coast Guard and partners quickly established a safety zone and removed the hazardous material and damaged railway cars from the affected waterway. Also, the Coast Guard is responsible for the development and enforcement of federal marine safety regulations and provides credentials to over 218,000 mariners, allowing them to work in our Nation's maritime transportation system.

The Coast Guard maintains its robust multi-mission capabilities in order to protect life, property, and the environment in response to any disaster. This multi-mission capability ensured the Coast Guard was ready to respond to over 17,000 Search and Rescue (SAR) cases in 2013, resulting in approximately 7,400 lives saved.

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*WE PROTECT... THOSE ON THE SEA, THE NATION FROM THREATS
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OUR BUDGET AT WORK

The Coast Guard strives to minimize lives lost, injury and property damage by rendering aid to those in distress in the maritime environment. The Coast Guard's SAR operations accomplish this through resource readiness, distress monitoring and communication, search planning, on-scene operations, and domestic and international partnerships. As part of these efforts the Coast Guard works closely with other federal, state, and local responders, coordinating the usage of a variety of afloat and airborne assets.

7,408

**Lives saved or assisted
during Coast Guard Operations
in 2013**

AVIATION LOGISTICS CENTER

The Aviation Logistics Center (ALC), located in Elizabeth City NC, is the hub for Coast Guard aviation support, including depot level maintenance, structural engineering, spare parts warehousing, and information service needs. ALC is the central point for aircraft maintenance and repair activities including fleet support for minor repairs and routine maintenance through technical publications and a call center.



SHORE INFRASTRUCTURE LOGISTICS CENTER

Shore facilities are an integral component of the Coast Guard's operation capability and readiness. The Shore Infrastructure Logistics Center (SILC) is located in Norfolk, VA, and provides sustainable Shore Infrastructure and Base Operations support for Coast Guard buildings and facilities. The SILC is responsible for the complete life-cycle of shore facilities, ranging from design, construction, maintenance and repair and demolition.

MISSION SUPPORT

The continued performance of the Coast Guard is only possible because of the superior level of support and maintenance provided by over 13,000 Coast Guard active duty members and civilian employees tasked with the upkeep and repair of our aging fleet of cutters, boats, aircraft and shore facilities. Integrated mission support is the centerpiece of this system, based on a business model that features four cornerstones: Bi-Level Support, Configuration Management, Total Asset Visibility, and Product Line Management. This system is employed at each of the units responsible for delivering the best possible mission support and asset sustainment to ensure the safe and effective execution of Coast Guard operational missions.

SURFACE FORCES LOGISTICS CENTER

The Surface Forces Logistics Center (SFLC), located in Baltimore, MD, provides the Coast Guard's surface fleet with maintenance, engineering, and supply services that enables Coast Guard mission execution. SFLC has a workforce of 1,935 military, civilian, and contractor professionals assigned in locations that range from Kodiak, Alaska to San Juan, Puerto Rico, and Honolulu, Hawaii to Portland, Maine.



COAST GUARD YARD

As part of the SFLC, the Coast Guard Yard is also located in Baltimore, MD. The 625 employees of the Yard's workforce represent an invaluable pool of experience, expertise, and craftsmanship. The Coast Guard Yard is responsible for construction, repair, and renovation of vessels and aids to navigation. It is also the Coast Guard's primary internal source for original design, forging, machining, and manufacturing all of which is essential to sustaining the Coast Guard's fleet of in-service cutters and boats.

Coast Guard crews aboard a 45-foot Response Boat-Medium from Station Sturgeon Bay, Wisconsin, and an MH-65C Dolphin rescue helicopter from Air Station Traverse City, Michigan conduct hoist training on Lake Michigan.



TRAINING & PROFICIENCY

The Coast Guard prepares individuals, teams, units, and ultimately the organization to achieve mission excellence through systematic development programs designed to yield proficiency in craft, proficiency in leadership, and disciplined initiative.

Each Coast Guard member; whether Active Duty, Reserve, Civilian or Auxiliarist, receives tailored attention to their specific developmental needs. This ensures a total workforce that is capable to perform the jobs and tasks to provide the maritime governance needed to ensure the safe, secure, and environmentally sound approaches to our maritime Nation.



WORK-LIFE

FAMILY:

The Coast Guard continues to improve the well-being and resilience of our Service members and their families, and enhanced readiness, recruitment, retention and mission execution, by targeting improvements to work-life, housing, ombudsman, child care, military personnel, yellow ribbon reintegration, retiree, and morale, well-being, and recreation programs. The Coast Guard values and supports every member of the Coast Guard family by listening to their needs; communicating initiatives, resources, and programs to them through focused communication and social media tools. The Coast Guard strives to deliver those services and resources when and where they are needed to improve the well-being of our extended Coast Guard family.

PERSONNEL SUPPORT:

The Coast Guard increased the utilization of its personnel support program, (CG SUPRT) through expanded marketing efforts, and adjusted available services to meet unit, member, and family needs. This program offers confidential professional counseling, education and referral services. Help is available for such issues as marital and family problems, substance abuse, depression and anxiety, work/life balance, personal financial management, health coaching and other work-related concerns and career issues.

SEXUAL ASSAULT PREVENTION AND RESPONSE (SAPR):

The Coast Guard continues expansion of the sexual assault prevention and response program to provide:

- 1) Dedicated field Sexual Assault Response Coordinators, and Office of Work-Life and HSWL Service Center programmatic staff;
- 2) Improved screening and standardized credentialing of SAPR Program personnel;
- 3) Updated training and new curriculum;
- 4) More robust victim response and recovery care services and;
- 5) Improved program reporting.



ACTIVE DUTY

One of the five branches of the U.S. Armed Forces, the Coast Guard is a military organization within the Department of Homeland Security. Coast Guard Active Duty personnel form a unique force that carries out an array of civil and military responsibilities touching almost every facet of the U.S. maritime environment.



RESERVE

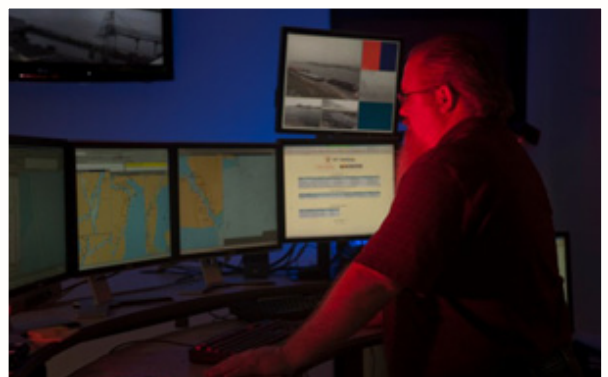
The Coast Guard Reserve is a flexible, responsive, operational force that exists to support the Coast Guard as it works to ***Prevent Terrorism and Enhance Security, Secure and Manage our Borders, and Strengthen National Resilience***. The Reserve workforce is always ready to mobilize, and employ critical competencies in boat operations, contingency planning and response, expeditionary warfare, and port security.

WORKFORCE

The Coast Guard's workforce is made up of over 41,000 active duty members, 8,000 reservists, 8,600 civilian employees, and 30,000 volunteer Auxiliarists. Every day Coast Guard men and women provide maritime governance that ensures the safe, secure, and environmentally sound approaches to our maritime Nation.

CIVILIAN

The Civilian workforce of the Coast Guard plays a critical role in the success of the Coast Guard's missions. There are over 200 different civilian career types in the Coast Guard, including professional, technical, trade and labor and administrative support.



COAST GUARD AUXILIARY

The 30,000 nonmilitary volunteers that make up the Coast Guard Auxiliary work with the Coast Guard to promote maritime safety, security, and stewardship. Auxiliarists focus on recreational boating safety, but support many Coast Guard activities, including search and rescue, pollution response, and commercial fishing vessel examinations. With units in all 50 states and Puerto Rico, the Virgin Islands, American Samoa and Guam ensures the Auxiliary is a true force multiplier for the Coast Guard and vital to accomplishing the Coast Guard's missions.

Coast Guard Cutter MORRO BAY passes the Cleveland West Pierhead Light while en route to the crew's new homeport.





FY 2015 BUDGET PRIORITIES

The Coast Guard's FY 2015 Budget reflects a deliberate balance between preserving today's most critical front-line operations and investing in tomorrow's Coast Guard. The FY 2015 budget identifies efficiencies and better business practices, maintains fidelity with the constrained fiscal environment and sustains the balance between investment in current operations and continued recapitalization. The Coast Guard's FY 2015 budget priorities are:



**Invest in
Long-Term
Operational Capacity**



**Strengthen Resource
and Operational
Stewardship**



**Preserve Critical
Front-Line
Operations**

THE FY15 BUDGET IN BRIEF

Invest in Long-Term Operational Capacity

Dedicated investment to build boats, cutters, aircraft, and corresponding infrastructure capable of meeting today's threats and those of the future is essential to the Coast Guard's continued role as America's maritime first responder. The current condition and serviceability of the Coast Guard's legacy surface fleet and aircraft, and the projected timelines to complete replacement of these assets require continued investment in surface and air recapitalization programs to maintain the capability to operate.

To strengthen DHS' layered security approach offshore, the FY 2015 Budget provides for the acquisition of the eighth National Security Cutter, which completes the recapitalization of the Coast Guard's High Endurance Cutter fleet, two Fast Response Cutters, and continues to invest in pre-acquisition activities for the Offshore Patrol Cutter and Polar Icebreaker. The budget also continues sustainment and conversion work on fixed wing and rotary wing aircraft, procurement of cutter boats, and investment in Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR) systems.

Surface Assets \$803.0M (0 FTE)

The budget provides \$803.0 million for the following surface asset recapitalization and sustainment initiatives:

- **National Security Cutter (NSC)** – Provides funding for the eighth NSC, completing the recapitalization of the Coast Guard's High Endurance Cutter fleet. The acquisition of NSC 8 is vital for performing DHS missions in the far off-shore regions, including the harsh operating environment of the Pacific Ocean, Bering Sea, and Arctic. The NSC also provides a robust command and control platform for homeland security contingency operations;
- **Fast Response Cutter (FRC)** – Provides production funding to procure two FRCs. These assets replace the aging fleet of 110-foot patrol boats that provide the coastal capability to conduct Search and Rescue operations, enforce border security, interdict drugs, uphold immigration laws, prevent terrorism, and enhance resiliency to disasters;
- **Offshore Patrol Cutter (OPC)** – Supports review of the preliminary design work for the OPC. The OPC will replace the Medium Endurance Cutter classes that conduct missions on the high seas and coastal approaches;
- **Polar Ice Breaker (WAGB)** – Continues pre-acquisition activities for a new polar icebreaker;



- **Cutter Boats** – Continues funding for production of multi-mission cutter small boats that will be fielded on the Coast Guard's major cutter fleet beginning with the NSC;
- **In-Service Vessel Sustainment** – Continues funding for sustainment projects on 140-foot ice breaking tugs (WTGB), 225-foot seagoing buoy tenders, the training Barque EAGLE (WIX), and initial sustainment on the 47-foot motor lifeboats (MLB);
- **Survey and Design** – Continues funding for multi-year engineering and design work for multiple cutter classes in support of future sustainment and acquisition projects

Air Assets **\$68.0M (0 FTE)**

The budget provides \$68.0 million for the following air asset recapitalization or enhancement initiatives:

- **HC-144A** – Funds spare parts required to maintain the operational availability of the HC-144A Ocean Sentry aircraft;
- **HC-27J** – Funds continued activities of the C-27J Acquisition Program Office (APO). The APO (new in 2014) will organize logistics, training, maintenance support and ensure these newly acquired aircraft are ready for induction into the operational fleet;
- **HH-65** – Continues modernization and sustainment of the Coast Guard's fleet of HH-65 helicopters, converting them to MH-65 Short Range Recovery (SRR) helicopters. The modernization effort includes reliability and sustainability improvements, where obsolete components are replaced with modernized sub-systems, including an integrated cockpit and sensor suite
- **C-130J** – Funds spare parts required to maintain the operational availability of the HC-130J Long Range Surveillance aircraft.

Other (Asset Recapitalization) **\$57.3M (0 FTE)**

The budget provides \$57.3 million for other initiatives funded under the AC&I account, including the following equipment and services:

- **Program Oversight and Management** - - Funds activities associated with the transition of the Coast Guard's assets from acquisition to operations, including delivery, provision of logistics, training and other services necessary to ensure seamless integration into the operational fleet;
- **Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR)** – Provides design, development, upgrades and assistance on C4ISR hardware and software of new and in-service assets;

- **CG-Logistics Information Management System** – Continues development and deployment of this system to Coast Guard operational assets.

Shore Units & Aids to Navigation (ATON) **\$40.6M (0 FTE)**

The budget provides \$40.6 million to recapitalize shore infrastructure for safe, functional, and modern facilities that support Coast Guard assets and personnel:

- **Specific Project** – Funds construction of a new small arms firing range at Coast Guard Training Center in Yorktown, VA; completes the second phase of renovations to facilities at Coast Guard Station Woods Hole, MA; funds renovation of existing facilities and construction of a new maintenance and engineering building at Coast Guard Station Morro Bay, CA;
- **ATON Infrastructure** – Maintains transportation safety on Federal waterways through construction and improvements to short-range aids and infrastructure to improve the safety of maritime transportation.

Personnel & Management **\$115.3M (881 FTE)**

The budget provides \$115.3 million for pay and benefits of the Coast Guard's acquisition workforce.



Strengthen Resource and Operational Stewardship

The FY 2015 Budget reflects sound, risk-based allocation of resources. In 2015, Coast Guard will decommission two High Endurance Cutters (WHECs) that are being replaced by more capable National Security Cutters. The Coast Guard will also decommission eight 110-ft patrol boats, three HC-130 aircraft, and corresponding shore side support personnel while accepting the delivery of new, more capable Fast Response Cutters, HC-144 aircraft, and C-27J aircraft to the fleet. The FY 2015 Budget ensures that our resources are aligned to our Nation's highest priorities in a manner that balances key investments for the future with sustaining essential investment in today's missions and capabilities that provide the highest return on investment.

Operational Adjustments

In FY 2015, the Coast Guard will make sound, risk based operational reductions while investing in critical recapitalization initiatives. These reductions include:

- **Vessel Board and Search Teams (VBST)**
-\$1.4M (-18 FTE)

Eliminates four VBSTs; one team each from Sector Boston, Sector Southeast New England, Sector San Diego and Sector San Francisco. VBSTs consist of law enforcement personnel dedicated to Ports, Waterways and Coastal Security (PWCS) enforcement activities. The types of boardings accomplished by these teams will be conducted by Sector Response and Station personnel or from cutter-based crews;

- **HC-144A Programmed Flight Hours**
-\$4.9M (0 FTE)

Adjusts the Coast Guard's HC-144A annual Programmed Flight Hours from 1,200 to 1,000 hours per aircraft to align with mission demands;

- **Fixed Wing aircraft Bravo-0 Response**
-\$2.2M (-24 FTE)

Removes the fixed-wing Bravo-Zero readiness requirement from Coast Guard Air Stations, with the exception of Air Station Kodiak, AK, and Air Station Barbers Point, HI. This initiative includes a commensurate reduction to staffing of fixed-wing aircrew personnel;

- **Aids to Navigation (ATON)**
-\$3.5M (-15 FTE)

Consolidates funding for coastal and western river aids to navigation, enabled by modernization and efficiencies in servicing aids to navigation, policy modifications, and logistics. Billets at associated Aids to Navigation Teams (ANTs) will be reduced and ANT Eufaula, AL will be closed, with remaining maintenance responsibilities distributed to other ANTs;

- **Operational Efficiencies**
-\$15.0M (0 FTE)

Operational commanders, using risk-based prioritization of patrols and operational activities, are able to adjust operations and balance emerging mission demands with daily operations. Additionally, new Coast Guard assets are equipped with enhanced intelligence and communication tools that enable field staff to target threats and prosecute them more efficiently. As a result, operational efficiencies that scale cutter, boat, and aircraft hours will reduce resources required for fuel and variable maintenance with no anticipated impact to operations. Safety of life (SAR), urgent security activities, and operational hours dedicated to meet minimum proficiency standards will be preserved.

Asset Decommissionings

As the Coast Guard recapitalizes its cutter and aircraft fleets and brings new assets into service, the older assets that are being replaced will be decommissioned or retired.

- **High Endurance Cutter (WHEC) Decommissionings**
-\$14.9M (-184 FTE)

Decommissions the sixth and seventh High Endurance Cutters (WHECs). National Security Cutters are replacing the aging WHEC fleet.

- **Patrol Boat (WPB) Decommissionings**
-\$6.1 M (-73 FTE)

Decommissions eight 110-ft WPB patrol boats. These assets will be replaced with Fast Response Cutters (FRCs) in the Seventh and Eighth Coast Guard Districts.

- **HC-130 Aircraft Retirements**
-\$11.6M (-43 FTE)

Eliminates funding and personnel associated with the retirement of three HC-130H to the Air Force for transfer to the U.S. Forest Service as outlined in the FY 2014 National Defense Authorization Act. Newly acquired HC-130J aircraft will provide increased operational reliability.

Preserve Critical Front-line Operations

The FY 2015 Budget sustains critical frontline operations, including maintaining search and rescue coverage, protecting critical infrastructure and key resources, and preserving operational hours dedicated to proficiency. Field commanders will continue to optimize operational capacity to support safe navigation, safeguard natural resources, protect the environment, detect and interdict drugs and individuals attempting to enter the United States illegally, and support the Nation's foreign policy objectives and defense operations.

Pay & Allowances

\$83.1M (0 FTE)

Maintains parity with DoD for military pay, allowances, and health care, and for civilian pay raise and retirement contributions. As a branch of the Armed Forces of the United States, the Coast Guard is subject to the provisions of the National Defense Authorization Act, which include pay and personnel benefits for the military workforce.

Operating and Maintenance Funds for New Assets

\$72.1M (281 FTE)

Provides funding for operations and maintenance of shore facilities, as well as cutters, boats, aircraft, and associated C4ISR subsystems delivered through acquisition efforts:

- **Shore Facilities** – Funds operation and maintenance of shore facility projects scheduled for completion prior to FY 2015;

- **Response Boat-Medium** – Funds operation, maintenance and support of 15 RB-Ms as well as adjustments for the Standard Support Level (SSL) for the 155 RB-Ms currently in service;
- **Rescue 21 (R21)** – Provides additional funds for the R21 System for maintenance of Coast Guard leased and owned towers, and Alaska communications sites;
- **FRC** – Funds operation and maintenance of FRCs #13-17 and provides funding for personnel to operate and maintain hulls #15-18, including the shore-side support personnel;
- **NSC** – Funds personnel, operations and maintenance for NSC #5, including costs for shore side support personnel. Provides new funding for operation of the NSC baseline mock-up laboratory at the Maritime Domain Awareness Center in Moorestown, NJ;
- **HC-144A MPA** – Funds operations, maintenance, and personnel funding for aircraft #18 that will be assigned to Air Station Miami, FL



Table 1: Appropriation Summary

Appropriation (\$000)	FY 2013 ¹ Revised Enacted	FY 2014 ² Enacted	FY 2015 Request
Operating Expenses (OE)	\$6,627,935	\$6,784,807	\$6,750,733
Acquisition, Construction & Improvements	\$1,465,422	\$1,375,635	\$1,084,193
Environmental Compliance & Restoration	\$12,461	\$13,164	\$13,214
Reserve Training	\$131,441	\$120,000	\$109,605
RDT&E	\$19,639	\$19,200	\$17,947
Bridges	---	---	---
Health Care Fund	\$201,610	\$185,958	\$158,930
Sub-total (Discretionary Funding)	\$8,458,508	\$8,498,764	\$8,134,622
Retired Pay	\$1,423,000	\$1,460,000	\$1,449,451
Boat Safety	\$114,729	\$105,873	\$111,842
Maritime Oil Spill Program	\$130,117	\$299,741	\$101,000
Gift Fund	\$1,605	\$80	\$80
Sub-total (Mandatory Funding)	\$1,669,451	\$1,865,694	\$1,662,373
OSLTF Contribution	[\$42,963]	[\$45,000]	[\$45,000]
Overseas Contingency Operations (OCO) Funding	\$240,605	\$227,000	---
Hurricane Sandy Supplemental (P.L. 113-2)	\$260,521	---	---
Rescission of unobligated balances ²	(\$174,669)	(\$153,338)	---
Sub-total (Transfers and Supplementals)	\$326,457	\$73,662	\$0
Total Appropriations	\$10,454,416	\$10,438,120	\$9,796,995
¹ Includes Across the Board rescissions and Sequestration Impacts			
² Includes rescissions enacted as part of P.L. 113-76			

Table 2: FY 2015 Net Discretionary Budget Authority – Breakout by Statutory Mission

COAST GUARD MISSION ¹ (\$000)	FY 2013 ² Revised Enacted	FY 2014 Enacted	FY 2015 Request	FY2014 +/- FY2015
SAR	\$914,830	\$923,132	\$786,189	-\$136,943
Marine Safety	\$571,270	\$659,021	\$540,654	-\$118,368
Aids to Navigation	\$1,431,341	\$1,351,135	\$1,215,280	-\$135,855
Ice Operations	\$115,270	\$114,153	\$181,457	\$67,304
MEP	\$237,294	\$247,016	\$228,133	-\$18,883
LMR	\$858,223	\$893,856	\$872,181	-\$21,675
Drug Interdiction	\$1,257,993	\$1,215,181	\$1,223,736	\$8,555
Other-LE	\$601,924	\$616,072	\$149,628	-\$466,444
Migrant Interdiction	\$162,620	\$139,611	\$589,599	\$449,988
PWCS	\$1,800,274	\$1,777,419	\$1,750,770	-\$26,650
Defense Readiness	\$507,468	\$562,166	\$596,996	\$34,830
Net Discretionary Excluding Supplementals and Transfers	\$8,458,508	\$8,498,764	\$8,134,622	-\$364,142
Mandatory	\$1,669,451	\$1,865,694	\$1,662,373	-\$203,321
OSLTF Contribution	[\$42,963]	[\$45,000]	[\$45,000]	
Overseas Contingency Operations (OCO) Funding	\$240,605	\$227,000	---	(\$227,000)
Hurricane Sandy Supplemental (P.L. 113-2)	\$260,521	---	---	---
Rescission of unobligated balances ³	(\$174,669)	(\$153,338)	---	
Total Appropriations	\$10,454,416	\$10,438,120	\$9,796,995	(\$794,463)
¹ The Coast Guard budgets by appropriation rather than by individual missions. The Coast Guard projects resource allocations by mission through the use of an activity-based costing system. Actual allocations will vary depending on operational environment and mission need.				
² Includes Across the Board rescissions and Sequestration Impacts				
³ Pursuant to P.L. 113-6: \$174.7 million was rescinded in FY 2013 (\$155.5 million in AC&I funds, \$18.2 million in OE funds, and \$992K in Reserve Training funds). Pursuant to P.L. 113-76: \$153.3 million was rescinded in FY 2014 (\$149.4 million in AC&I funds and \$3.9 million in OE funds).				

Table 3: FY 2015 Construction Initiatives Listing

Appropriations (\$000)	FY 2015 Request
Vessels	\$803,000
Survey and Design - Vessel and Boats	\$500
In-Service Vessel Sustainment	\$24,500
National Security Cutter (NSC)	\$638,000
Offshore Patrol Cutter (OPC)	\$20,000
Fast Response Cutter (FRC)	\$110,000
Cutter Boats	\$4,000
Polar Icebreaker	\$6,000
Aircraft	\$68,000
HH-65 Conversion/Sustainment Projects	\$30,000
HC-144A Conversion/Sustainment	\$15,000
HC-27J Conversion/Sustainment	\$15,000
HC-130J Acquisition/Conversion/Sustainment	\$8,000
Other	\$57,300
Program Oversight and Management	\$18,000
Systems Engineering and Integration	\$0
C4ISR	\$36,300
CG-LIMS	\$3,000
Shore and ATON	\$40,580
Major Shore, ATON and S&D	\$19,580
Major Acquisition Systems Infrastructure	\$16,000
Minor Shore	\$5,000
Personnel and Management	\$115,313
Direct Personnel Costs	\$115,313
TOTAL	\$1,084,193

Table 4: Operating Expenses FY 2014 Enacted to FY 2015

DEPARTMENT OF HOMELAND SECURITY U.S. COAST GUARD OPERATING EXPENSES FY 2014 TO FY 2015 BUDGET CHANGE (DOLLARS IN THOUSANDS)

	Pos.	FTE	Amount
FY 2013 REVISED ENACTED ¹	48,740	47,885	\$ 6,627,936
FY 2014 ENACTED ¹	48,396	48,646	\$ 6,780,928
ADJUSTMENT FOR NON-RECURRING RESCISSIONS	-	-	3,879
ADJUSTMENTS-TO-BASE			
TRANSFERS TO AND FROM OTHER ACCOUNTS	-	-	759
WORKING CAPITAL FUND	-	-	759
TOTAL TRANSFERS	-	-	759
INCREASES			
ANNUALIZATION OF PART YEAR FUNDING	26	186	51,118
MANDATORY PERSONNEL ENTITLEMENTS			
2014 ANNUALIZATION OF MILITARY AND CIVILIAN PAY RAISE	-	-	7,146
2015 MILITARY PAY RAISE	-	-	15,684
2015 CIVILIAN PAY RAISE	-	-	5,855
2015 MILITARY ALLOWANCES	-	-	46,846
CIVILIAN RETIREMENT CONTRIBUTION	-	-	7,554
OPERATIONAL ADJUSTMENTS			
GSA RENT	-	-	6,700
HULL CORROSION REPAIRS AND OTHER CREW SAFETY RELATED MAINTENANCE	-	-	3,479
OPERATING AND MAINTENANCE FUNDS FOR NEW ASSETS			
SHORE FACILITY FOLLOW-ON	-	-	1,603
RESPONSE BOAT - MEDIUM (RB-M) FOLLOW-ON	5	3	5,466
RESCUE 21 (R21) FOLLOW-ON	-	-	5,825
FAST RESPONSE CUTTER (FRC) FOLLOW-ON	217	130	27,073
NATIONAL SECURITY CUTTER (NSC) FOLLOW-ON	196	128	24,899
MARITIME PATROL AIRCRAFT (MPA) FOLLOW-ON	38	20	7,228
BASE RE-ALLOCATIONS (NON-ADD)			
MILITARY FTP AND FTE TRANSFER TO CIVILIAN	[19]	[19]	[2,442]
PPA FUNDING ADJUSTMENT	-	-	[35,544]
TOTAL INCREASES	482	467	216,476
DECREASES			
TERMINATION OF ONE-TIME COSTS	-	-	(58,397)
PART YEAR MANAGEMENT ANNUALIZATIONS	-	(378)	(50,843)
MANDATORY PERSONNEL ENTITLEMENTS			
TRICARE REFORM	-	-	(1,433)
OPERATIONAL ADJUSTMENTS			
MILITARY SPECIAL PAY	-	-	(7,500)
CIVILIAN PERSONNEL ACCOUNT MANAGEMENT	-	-	(6,500)
EFFICIENCIES	(451)	(224)	(62,896)
VESSEL, BOARD, AND SEARCH TEAMS	(35)	(18)	(1,355)
PORTS, WATERWAYS, AND COASTAL SECURITY	(8)	(4)	(921)
PATROL BOAT OPERATIONAL EFFICIENCY	(25)	(13)	(886)
PREPAREDNESS FOR RESPONSE EXERCISE PROGRAM (PREP) AND AREA MARITIME SECURITY TRAINING AND EXERCISE PROGRAM (AMSTEP)	-	-	(320)
HC-144A AIRCRAFT PROGRAMMED FLIGHT HOURS	-	-	(4,920)
FIXED WING AIRCRAFT "BRAVO-0" RESPONSE	(47)	(24)	(2,195)
DOMESTIC SPECIFIC EMITTER IDENTIFICATION (DSEI) PROGRAM	-	-	(400)
AIDS TO NAVIGATION (ATON)	(29)	(15)	(3,477)
OPERATIONAL EFFICIENCIES	-	-	(15,047)
ASSET DECOMMISSIONINGS AND RETIREMENTS			
EIGHT 110-FT PATROL BOATS	(145)	(73)	(6,053)
ONE HIGH ENDURANCE CUTTER (WHEC)	(368)	(184)	(14,914)
THREE HC-130 AIRCRAFT	(86)	(43)	(11,610)
SHORESIDE SUPPORT PERSONNEL REDUCTION	(40)	(21)	(1,642)
TOTAL DECREASES	(1,234)	(997)	(251,309)
TOTAL OTHER ADJUSTMENTS	(752)	(530)	(34,833)
TOTAL ADJUSTMENTS-TO-BASE	(752)	(530)	(30,195)
2015 CURRENT SERVICES	47,644	48,116	6,750,733
2015 REQUEST	47,644	48,116	6,750,733
2014 TO 2015 TOTAL CHANGE	(752)	(530)	(30,195)

¹ Excludes funding provided to the Coast Guard for Overseas Contingency Operations (OCO).

Coast Guard Cutter Barque
EAGLE arrives under full sail
into New London, Connecticut.





U.S. COAST GUARD HEADQUARTERS
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